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**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEVADES YOUNG MEN'S CHRISTIAN ASSOCIATION**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2002

Under provisions of state law, this report is a public document. A copy of this report has been forwarded to the city clerk of each city and county in the state. The report is available to the public without charge at the Oregon State Library, 1000 NE Oregon Street, Salem, Oregon 97331, and at the office of the clerk of each county.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
James M. Singleton Charter Middle School,
Sponsor Organization
Dryades Young Men's Christian Association

We have audited the accompanying statement of financial position of James M. Singleton Charter Middle School, Sponsor Organization Dryades Young Men's Christian Association (JMSCMS) as of June 30, 2002, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of JMSCMS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JMSCMS as of June 30, 2002, and the changes in its net assets, statements of functional expenses and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
James M. Singleton Charter Middle School,
Sponsor Organization
Dryden Young Men's Christian Association
Page 2

In accordance with *Government Auditing Standards*, we have also issued a report dated November 15, 2002 on our consideration of JMSCM's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit. Also, that report contained an instance of noncompliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

November 15, 2002

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2002**

ASSETS

Cash	\$320,890
Grants receivable, net (NOTE 4)	77,499
Prepaid asset	560
Property and equipment, net (NOTE 3)	<u>233,674</u>
Total assets	<u>\$832,563</u>

LIABILITIES AND NET ASSETS

<u>Liabilities</u>	
Accounts payable and other liabilities (NOTE 13)	\$ 38,778
Salaries, taxes and other payables (NOTE 9)	37,489
Capital lease payable (NOTE 3)	8,799
Line of credit (NOTE 5)	250,000
Loan payable (NOTE 12)	<u>83,478</u>
Total liabilities	<u>398,544</u>

**CONTINGENCIES AND COMMITMENTS
(NOTE 8)**

<u>Net assets</u>	
Unrestricted	<u>434,021</u>
Total net assets	<u>434,021</u>
Total liabilities and net assets	<u>\$832,563</u>

The accompanying notes are an integral part of these financial statements.

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DECADES YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2002

	UNRESTRICTED NET ASSETS
<u>SUPPORT AND REVENUES</u>	
Support:	
Orleans Parish School Board	\$1,790,444
Federal Communications Commission	<u>156,460</u>
Total support	1,946,904
Revenues:	
Interest income	1,268
Other income	<u>11,843</u>
Total revenues	<u>12,111</u>
Total support and revenues	1,959,015
Expenses:	
Program services	1,412,790
Management and general	<u>148,329</u>
Total expenses	1,561,119
Change in net assets	397,896
Net assets, beginning of year	<u>16,893</u>
Net assets, end of year	\$ <u>414,821</u>

The accompanying notes are an integral part of these financial statements.

JAMES M. SINGLETON CHAPTER MIDDLE SCHOOL
SPONSOR ORGANIZATION
BIBS ALBIS 100.00 MEN'S CHRISTIAN ASSOCIATION
ATTACHMENT OFF FUNDATIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2002

	FUNDATIONAL			EFFORT SERVICES			TOTALS	
	Program Services	Management and General	Substantial Total	Program Services	Management and General	Support Services Total	Program Services	Management and General
Scholarship	\$50,054	\$0	\$50,054	\$44,398	\$118,046	\$261,456	\$	\$261,456
Employee benefits and payroll	13,813	0	13,813	30,355	30,355	26,894	192,218	26,894
Professional fees and contract services	85,171	0	85,171	43,628	0	23,428	118,599	0
Supplies	0	0	0	1,054	0	1,054	7,584	0
Instructional material and supplies	23,293	0	23,293	0	0	0	21,343	0
Transportation	0	0	0	8,029	0	18,429	19,899	0
Telephone	0	0	0	257	0	257	287	0
Postage and shipping	0	0	0	1,458	0	3,458	1,458	0
Professional development	0	0	0	20,069	0	38,569	20,569	0
Utilities	0	0	0	133,760	0	173,760	173,760	0
Rent	0	0	0	48	0	44	44	0
Printing	0	0	0	21,249	0	23,249	41,757	0
Repairs and maintenance	16,433	0	16,433	2,082	0	2,082	2,082	0
Transportation	0	0	0	23,258	0	23,258	23,258	0
Insurance	0	0	0	26,348	0	26,348	36,588	0
Other expenses	3,774	0	3,774	11,152	0	11,152	14,398	0
Equipment expenses	0	0	0	882	0	882	882	0
Food cost	0	0	0	18,217	0	18,217	18,217	0
Student activities	0	0	0	9,912	0	9,912	9,912	0
Interest expense	0	0	0	34,245	0	34,245	34,245	0
Depreciation and amortization	0	0	0	16,613	0	16,613	16,613	0
Real debt expense	0	0	0	0	0	0	0	0
Total	\$947,673	\$0	\$947,673	\$555,117	\$248,129	\$713,449	\$1,472,799	\$248,129

The accompanying notes are an integral part of these financial statements.

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL
SPONSOR ORGANIZATION
BRYAN'S YOUNG MEN'S CHRISTIAN ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002

Cash flow from Operating Activities

Change in net assets	\$ 397,328
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Adjustments to reconcile change in net assets

to net cash provided by or (used) in operating activities:

Depreciation and amortization	14,850
Provision for bad debt	14,023
Decrease in amounts due from other programs	16,988
Increase in grants receivable	(14,408)
Decrease in accounts payable and other liabilities	(30,049)
Increase in salaries, taxes and other payables	20,487
Increase in capital lease payable	3,361
Increase in amounts due to other programs	(104,816)

Net cash provided by operating activities	<u>338,487</u>
---	----------------

Cash flow from Investing Activities:

Acquisition of property and equipment	(117,383)
Retirement of capital assets	<u>4,443</u>

Net cash (used) in investing activities	<u>(112,940)</u>
---	------------------

Cash flow from Financing activities:

Proceeds from draw on line of credit	190,000
Payment on line of credit	(50,000)
Proceeds from loan payable	95,214
Payment on loan payable	<u>(21,738)</u>

Net cash provided by financing activities	<u>263,676</u>
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Net increase in cash	489,023
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Cash, beginning of year	<u>31,867</u>
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Cash, end of year	<u>\$328,890</u>
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Interest paid	<u>\$ 9,857</u>
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The accompanying notes are an integral part of these financial statements.

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Background and General Data

Background

James M. Singleton Charter Middle School, Sponsor Organization Dryades Young Men's Christian Association (JMSCMS) is an independent public school sponsored by Dryades Young Men's Christian Association (the Association) a non-profit corporation organized under the laws of the State of Louisiana.

General

As of June 30, 2002, JMSCMS administered an independent public school funded by the Orleans Parish School Board (OPSB) to provide a framework for experimentation through the creation of a mechanism to accomplish the following objectives:

- Improve pupil learning and, in general, the public school system;
- Increase learning opportunities and access to quality education for pupils;
- Encourage the use of different and innovative teaching methods and a variety of governance, management, and administrative structures;
- Require appropriate assessment and measurement of academic learning results;
- Account better and more thoroughly for educational results; and
- Create new professional opportunities for teachers and other school employees.

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements of JMSCMS are prepared in accordance with accounting principles generally accepted in the United States of America and are prepared on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Funding

JMSCMS receives its primary funding through grants from the OPSB.

Property and Equipment

JMSCMS follows the practice of capitalizing all property and equipment acquisitions over \$300. Depreciation is computed under the straight-line method for all depreciable assets over their respective estimated useful lives. JMSCMS depreciates property and equipment over a five-year period.

Capital leases and related liabilities are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset.

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEVADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - *Summary of Significant Accounting Policies, Continued*

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and management and general in the accompanying statement of functional expenses.

Statement of Cashflows

For purposes of the statement of cash flows, JMSCMS considers all investments with original maturities of three months or less to be cash equivalents. At June 30, 2002, JMSCMS had no cash equivalents.

Financial Statement Presentation

Under SFAS No. 116, JMSCMS must recognize contributions received as revenue, including unconditional promises to give, in the period received at their fair value. At the same time, contributions made, including unconditional promises to give, must be recognized as expenses in the period made at their fair value. At June 30, 2002, JMSCMS received no contributions or promises.

Under SFAS No. 117, JMSCMS is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, JMSCMS is required to present a statement of cash flows. Revenues received and expenses incurred in conducting the activities of JMSCMS are included in this category.

**JAMES H. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Fair Value of Financial Instruments

The estimated fair value of all significant financial statement amounts have been determined by JMSCMS using available market information and appropriate valuation methodologies.

JMSCMS considers the carrying amounts of cash, grants receivable, prepaid assets, accounts payable and other liabilities, accrued liabilities, line of credit, and loan payable to be at fair market.

Budgetary Data

JMSCMS formally adopts a budget. The budgetary data are submitted to the OPSB for approval.

NOTE 3 - Property and Equipment:

At June 30, 2002, property and equipment consisted of the following:

	<u>Balance</u> <u>July 1,</u> <u>2001</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30,</u> <u>2002</u>
Furniture and equipment	\$143,864	\$108,868	\$ -0-	\$251,462
Capital asset under lease obligation	<u>6,797</u>	<u>9,317</u>	<u>(6,797)</u>	<u>9,317</u>
Sub-total	150,191	117,385	(6,797)	260,779
Less accumulated depreciation and amortization	<u>(14,687)</u>	<u>(24,858)</u>	<u>2,352</u>	<u>(37,193)</u>
Total	<u>\$135,504</u>	<u>\$92,527</u>	<u>\$6,555</u>	<u>\$223,536</u>

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DREYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Property and Equipment, Continued

The future minimum lease payments under the capital lease as of June 30, 2002, and for each of the next five years are:

<u>Year Ended</u>	
2003	\$ 3,486
2004	3,486
2005	<u>2,964</u>
	9,936
Less amount representing interest	(1,017)
Net present value of minimum lease payment	\$ <u>8,919</u>

Interest rate on the capital lease is 5.75% and is imputed based on JMSCMS's incremental borrowing rate at inception of the lease.

NOTE 4 - Grants Receivable:

At June 30, 2002, grants receivable consisted of grants due from OPRB in the amount of \$77,499.

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 5 - Line of Credit:

At June 30, 2002, JMSCMS had a \$500,000 non-revolving line of credit with a bank. The line of credit is renewable annually. Current maturity date is August 30, 2002, with an interest rate of 5.75%. At June 30, 2002, the amount drawn down and payable was \$250,000.

NOTE 6 - Income Taxes:

The Association, which is the sponsor organization for JMSCMS, is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 7 - Pension Plan:

JMSCMS participates in the defined contribution retirement plan for the Association for all eligible employees with a year or more of service. JMSCMS contributes for each eligible employee, a percentage of their respective gross salary. Effective March 1, 2002, the plan was amended to require an employer contribution of 12%. Pension costs are funded on a current basis. JMSCMS's total pension costs for the year ended June 30, 2002, was \$40,740.

NOTE 8 - Contingencies and Commitments:

JMSCMS is a recipient of grants from OPSSB and the Federal Communications Commission (FCC). These grants are governed by various guidelines, regulations and contractual agreements. The administration of the program and activities funded by these grants is under the control and administration of JMSCMS and is subject to audit and/or review by the applicable funding source. Any grant or award funds found to be not properly spent in accordance with the terms, conditions and regulations of the funding sources may be subject to recapture.

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
BRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - Salaries, Taxes and Other Payables

At June 30, 2002, salaries, taxes and other payables consisted of the following:

Salaries payable	\$14,533
Payroll taxes payable	1,184
Unemployment taxes payable	17,168
Other withholdings payable	<u>4,604</u>
Total	<u>\$37,489</u>

NOTE 10- Risk Management

JMISCMS is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets for which JMISCMS carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 11 - Concentration of Revenue Source

JMISCMS receives primarily all of its support from OPSB. If the amount of support received should fall below award budgeted levels, JMISCMS's operating results could be adversely affected.

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 12 - Loan Payable

JMSCMS received a non-interest bearing loan in the amount of \$95,214 from the State of Louisiana Board of Elementary and Secondary Education (BSE). The loan is repayable in three (3) annual installments and is due by June 30 of each year of the loan's term. At June 30, 2002, the loan payable balance consisted of the following:

Present value of loan payable	\$56,558
Plus: Unamortized premium	<u>8,918</u>
Loan payable	<u>\$65,476</u>

Following is a schedule of maturities required under the loan payable:

<u>Year Ended</u>	
2003	\$28,279
2004	<u>28,279</u>
Present value of loan payable	\$6,558
Plus: Unamortized premium	<u>8,918</u>
Total	<u>\$65,476</u>

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 13 - Leases:

JMISCMS signed an operating lease for office space subsequent to year-end that expires on June 30, 2003. Minimum future rental payments under this lease for the year ending June 30, 2003, is \$173,760.

Rental expense for the year ended June 30, 2002, was \$173,360.

NOTE 14 - Concentration of Credit Risk:

Financial instruments which potentially subject JMISCMS to concentrations of credit risk, as defined by Financial Accounting Standards Board Statement of Financial Accounting Standards No. 133, consist principally of cash. At June 30, 2002, JMISCMS had deposits in a single financial institution totaling approximately \$463,689 in excess of federal depository insurance limits.

NOTE 15 - Accounts Payable and Other Liabilities:

At June 30, 2002, accounts payable and other liabilities consisted of the following:

Accounts payable - vendors	\$25,210
Accounts payable - other	<u>13,268</u>
	<u>\$38,478</u>

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEYAINES YOUNG MEN'S CHRISTIAN ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 16 - Food Cost

During the year ended June 30, 2012, OPSB provided meals to the students enrolled in JMSCMS. The accompanying financial statements do not reflect the effect of such services, as the amount is not material to the financial statements taken as a whole.



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Certified Public Accountants

Michael B. Bruno, CPA
Austin J. Tervalon, Jr., CPA
Reginald J. Wilson, Jr., CPA
Paul R. Mason, Sr., CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
**James M. Singleton Charter Middle School,
Sponsor Organization
Dryades Young Men's Christian Association**

We have audited the financial statements of **James M. Singleton Charter Middle School, Sponsor Organization Dryades Young Men's Christian Association (JMSCMS)** as of and for the year ended June 30, 2012, and have issued our report thereon dated November 15, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether JMSCMS's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of finding as item 2000-01.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered JMISCMS's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting, which we have reported to management of JMISCMS in a separate letter dated November 15, 2002.

This report is intended solely for the information and use of the Board of Directors, management, COPSB, HESB, FCC, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties.

Bruno & Tervalon LLP

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

November 15, 2002

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING
FOR THE YEAR ENDED JUNE 30, 2002**

We have audited the financial statements of James M. Singleton Charter Middle School, Sponsor Organization Dryades Young Men's Christian Association as of and for the year ended June 30, 2002 and have issued our report thereon dated November 15, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits outlined in *Government Auditing Standards*, issued by the Controller General of the United States.

Section II - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Reportable condition (s) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal Control Over Major Programs:	
• Material weakness(es) identified?	N/A*
• Reportable condition(s) identified that are not considered to be material weakness(es)?	N/A*

* Not Applicable

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DECADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2003

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Type of auditor's report issued on compliance for major programs:	N/A ^a
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Any audit findings disclosed that are required to be reported in accordance with section 510(c) of Circular A-133?	N/A ^a
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Identification of Major Program:	N/A ^a
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Dollar threshold used to distinguish between type A and type B programs:	N/A ^a
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Auditor qualified as low-risk auditor?	N/A ^a
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**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEVADES VIJUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2002**

Section II - Financial Statement Finding

Reference Number:
2002-01

Federal Programs

N/A

Criteria

In accordance with Louisiana Revised Statute 17:3991(C)(1)(c)(6)(a), charter school must employ teachers certified by the state board or the French Ministry of Education for at least seventy-five percent (75%) of the instructional staff employed by the charter school.

Condition

- Our review of JMSCMS's compliance with the above revealed that only five (5) out of sixteen (16) teachers were certified. As such, at June 30, 2002, only thirty-one percent (31%) of JMSCMS's instructional staff are certified by the state board.

Questioned Costs

NONE

Effect

Non-compliance with requirements of Louisiana Revised Statute 17:3991(C)(1)(c)(6)(a).

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2002**

Section III - Financial Statement Finding, Continued

Reference Number, Continued

2003-44

Cause

The availability of certified teachers to the overall teacher population.

Recommendation

We recommend that management develop a marketing strategy to increase its current employment and retention of certified teachers. We also recommend that management establish procedures to ensure its compliance with the previously referenced statute.

Management's Response

Management has undertaken the established procedures to ensure its compliance with the previously referenced statute. In fact, JMSCMS represents that currently eight-five percent (85%) of its instructional staff are certified.

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2002**

Section III - Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended June 30, 2002.

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEVADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2002**

Section IV - Status of Prior Year's Findings

There were no prior year audit findings reported. As such, none were reported for the year ended June 30, 2002.

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRAIDES YOUNG MEN'S CHRISTIAN ASSOCIATION**

EXIT CONFERENCE

June 30, 2002

The financial statements and all related reports, were discussed at an exit conference attended by:

**JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DRAIDES YOUNG MEN'S CHRISTIAN ASSOCIATION**

Mr. Douglas Evans	—	General Director
Ms. Cynthia Hubbard	—	Controller



Members
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael R. Brown, CPA
Robert A. Tervalon, Jr., CPA
William J. Brown, Jr., CPA
Paul K. Joseph, Sr., CPA

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board Directors
James M. Singleton Charter Middle School,
Sponsor Organization
Bryades Young Men's Christian Association

In planning and performing our audit of the financial statements of James M. Singleton Charter Middle School, Sponsor Organization Bryades Young Men's Christian Association (JMSCMS's) as of and for the year ended June 30, 2002, we considered JMSCMS's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of a matter that is an opportunity for strengthening internal control and operating efficiency. We previously reported on JMSCMS's internal control in our report dated November 15, 2002. This letter does not affect our report dated November 15, 2002, on the financial statements of JMSCMS.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with JMSCMS's personnel, and we will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

Our current year comment is as follows:

• **UNDERCOLLATERALIZATION OF FUNDS**

Condition

Our review of JMSCMS's banking relationship with one of its financial institution, revealed at June 30, 2002, the lack of collateral for funds in excess of \$100,000 resulting in an undercollateralization of \$463,689.

Recommendation

We recommend that management consider the execution of a collateral agreement for funds in excess of the Federal Deposit Insurance Corporation limit to ensure continuous collateralization of JMSCMS's funds. In addition, management should develop a monthly monitoring system to ensure compliance with the above referenced collateral agreement with its bank.

Management's Response

Management is consulting with its financial institution to execute a collateral agreement for funds in excess of Federal Deposit Insurance Corporation limit.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

This letter does not affect our report dated November 13, 2002 on the financial statements of JMSCMS.

As always, we appreciate the courtesies extended to us by you and your staff during our audit. Should you have any questions or require further details, please do not hesitate to call.

This report is intended solely for the information of the Board of Directors, management of JMSCMS, OPSB, the Legislative Auditor for the State of Louisiana and regulatory agencies and is not intended to be and should not be used by anyone other than those specified parties.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

November 13, 2002

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
DEYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING
FOR THE YEAR ENDED JUNE 30, 2002

Reference Number

2002-01

Condition

- Our review of JMSCMS's compliance with the above revealed that only five (5) out of sixteen (16) teachers were certified. As such, at June 30,2002, only thirty-one percent (31%) of JMSCMS's instructional staff are certified by the state board.

Recommendation

We recommend that management develop a marketing strategy to increase its current employment and retention of certified teachers. We also recommend that management establish procedures to ensure its compliance with the previously referenced statute.

Management's Response

Management has undertaken the established procedures to ensure its compliance with the previously referenced statute. In fact, JMSCMS represents that currently eight-five percent (85%) of its instructional staff are certified.

JAMES M. SINGLETON CHARTER MIDDLE SCHOOL,
SPONSOR ORGANIZATION
ORYADES YOUNG MEN'S CHRISTIAN ASSOCIATION
SUMMARY SCHEDULE OF FINDING, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2002

Condition

Our review of JMSCMS's banking relationship with one of its financial institution, revealed at June 30, 2002, the lack of collateral for funds in excess of \$100,000 resulting in an undercollateralization of \$463,689.

Recommendation

We recommend that management consider the execution of a collateral agreement for funds in excess of the Federal Deposit Insurance Corporation limit to ensure continuous collateralization of JMSCMS's funds. In addition, management should develop a monthly monitoring system to ensure compliance with the above referenced collateral agreement with its bank.

Management's Response

Management is consulting with its financial institution to execute a collateral agreement for funds in excess of Federal Deposit Insurance Corporation limit.